

X-Mark

20/11/80/28

Subject: Anaheim Bulletin

- 1. Internal Revenue Service E US
- 2. Samuel Black Sterrett E US
- 3. National Council of Churches of Christ E US
- 4. Baptist Joint Committee of Public Affairs E US
- ~~5. Peter Young~~ ~~E US~~
- 6. United Church of Christ E US
- 7. Robert Sassone E US
- 8. Robert Harris E US

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Attached is an article from the Anaheim Bulletin in Anaheim, Ca. It is a straight writup of Church's suit against the the IRS from Scn's point of view.

In the first paragraphs it mentions the support other church's have given the C of S in its fight against the IRS's unconstitutional intrusions into the rights of Churches. It mentions PR terminals Michael O'Brien and Leland Thoburn testifying before the House Ways and Means Committee and the IRS harassing C of S attorneys while we are in litigation with them. At is straight anti-IRS with no rebuttal allowed from the IRS.

ML,

successful defense of his well known exposure of the Pentagon Papers.

The motion challenges the Constitutionality of the tax code on several grounds, including:

become entangled in the day to day affairs of Churches," stated Church spokesman Leland Thoburn.

Catholic Church of its tax exempt status if it takes stands on moral issues that the IRS claim are also political issues.

USA

## Church groups battle for rights

SACRAMENTO (Copley News Service) — Nearly a year and a half has passed since a wide spectrum of religious faiths in California banded together in an alarmed coalition intended to protect religious freedom from what its leaders warned was "attack by the state." The group, known as "First Freedom," named for the First Amendment to the U.S. Constitution, became the first religious lobbying organization in Sacramento evaluating the concerns of such a wide cross-section of beliefs.

Today, midway through the second half of the two-year legislative session which saw its birth, First Freedom can claim some victories — but the prime catalyst which brought it about still eludes its grasp, says the group's statewide president, the Rev. Edgar Koons, pastor of the fundamentalist Hazel Avenue Baptist Church in the Sacramento suburb of Fair Oaks. What had angered the churches of California was a section of the state Tax Code which they charge would prevent them from "petitioning our government for grievances via legislative lobbying." The ban, Koons said, is contained in Tax Form 199-B which proscribes participation in "changing any legislation" on the part of any church that applies for tax-exempt status.

"Some 68 churches in the state balked at this requirement," Koons said, and it remains as "one of our primary concerns today."

First Freedom, he added, brings these many faiths together to fight for one basic intent: That religious faith must be allowed to exist without governmental interference.

As another battle-planning session in that fight, First Freedom will hold its first major "Religious Liberty Conference" in San Francisco June 18th featuring Dean Kelley, Executive for Religious Liberty for the National Council of Churches, and other leading

experts in the field of First Amendment rights. It will be a day-long affair at the Sir Francis Drake Hotel in the Bay City.

Other speakers, Koons said, will include James Wood Jr., professor of Church-State Studies and director of the J.M. Dawson Studies in Church and State at Baylor University, Texas, and editor of "The Journal of Church and State," and William B. Ball a Harrisburg, Pa., constitutional lawyer who has played key roles in freedom battles in 20 states and the U.S. Supreme Court.

Koons, who also is Executive Director of the American Council of Christian Churches of California as well as heading First Freedom, will preside.

State Sen. Nicholas Petris, D-Oakland, will be awarded a special honor, Koons said, for "his work upholding the cause of religious liberty in California." Petris, author in the last session of SB 1493 which called a halt to efforts by the state Attorney General to regulate how churches may

spend their money through a section of the state Non-Profit Corporations Code dealing with charitable trusts, also is carrying SB 1981 in the current session which deals with the issue of churches being able to petition the government via legislative lobbying by "lifting the limit on us in the State Tax Code."

This measure, which currently is in the Senate on the consent calendar and is scheduled to begin Assembly hearings next week, would pre-empt this ban, Koons said. "It looks like it has a good chance of passage," he added.

"Most of the legislators," he said in an interview here, "have a keen conscience toward this matter of church and state. None of us are interested in providing a hiding place for sham."

If it passes, SB 1981 will be a major victory for First Freedom, Koons said.

Another major accomplishment of the past year and a half, however, he

added, is that the many denominations that have come together among the 68 church members of First Freedom come from the liberal, the moderate and the fundamentalist churches of the state; they represent both Catholics and Protestants, and "on this key issue of religious freedom, we are united." Although Jewish groups have not joined in the coalition, he said, "we have also reached a 'commonality' between us on this issue."

This commonality, Koons stressed, has provided the primary achievement of his group during its initial legislative skirmishes — "the lawmakers now recognize our existence; we are recognized as a viable organization to represent the religious community. Now they realize that there is a watchdog committee in the capitol on religious freedoms."

Meanwhile, however, until the state Tax Code should be amended to take out what Koons labeled "its loyalty clause" which proscribes lobbying by tax-exempt churches in an effort to influence legislation, his Hazel Avenue Baptist Church and a number of others in the state have either sacrificed their incorporation papers as non-profit religious institutions or have been denied such incorporation, rather than sign the anti-lobbying pledge, which would violate, he explained, "our religious beliefs."

Koons said that for the last three years, he and his church have refused to sign Form 199-B, and so the church is no longer incorporated.

"Fortunately," he said, "we do not owe any money. The laws of banking and finance would permit the lender to foreclose on us because we have a tax lien against our property and we no longer are incorporated."

As a result, members of the congregation who give sums of money to the church cannot claim the gift as an exemption on their income taxes,

Koons said, because "we no longer are legally recognized as a non-profit religious group in the eyes of the State Franchise Tax Board. However, we are still operating as a church, and we will wait and see what kind of a problem this creates."

Facing a similar issue is Pomerado Road Baptist Church in Poway, northeast of San Diego. "For a while, this church," Koons said, "faced a problem with its lenders, but that has been taken care of now. And there's another little church in Grass Valley in Northern California that found itself in a crisis situation until a sympathetic donor from Texas offered to take over their loan."

The California church coalition, Koons said, is closely following the New York case of a few days ago in which the state Court of Appeals ruled that Unification Church of controversial Rev. Sun Myung Moon was a genuine religious organization, and entitled to a tax exemption, despite its widespread investments, because "religion is its primary purpose." Said Koons: "It could set a precedent that we can use to whip this problem in California."

But the real bottom line, Koons added, pointing to his list of institutional members, is this: "For this group of people to unite under this name of First Freedom would have been unheard of as recently as five years ago. But necessity is the mother of invention and our fundamental freedom has proved to be the common denominator."

The group includes representatives of the American Council of Christian Churches, Americans United for Separation of Church and State, Calcedon, Church of the Latter-day Saints, Church of Scientology, Church Universal and Triumphant Center, Inc., Financial Executives of Christian Organizations, Forest Home Christian

Conference Center, Grace Community Church, International Church of the Foursquare Gospel, Pacific Union

Conference of Seventh-Day Adventists, the Unification Church, Wings of Healing and World Vision.



CIC X-MARK SHEET

SUBJECT: ALAMEDA TIMES-STAR

E-US

17/06/82/4

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